

July 1, 2019

Ann Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551
regs.comments@federalreserve.gov

Re: Docket No. OP-1664

Dear Ms. Misback:

On behalf of the 2.2 million credit union members we represent, the Heartland Credit Union Association (HCUA) appreciates the opportunity to comment on the Board of Governors of the Federal Reserve System in response to the request for comment regarding potential modifications to the Federal Reserve Banks' National Settlement Service and Fedwire funds service to support enhancements to the same-day ACH service.

HCUA is supportive of the proposed modifications to the National Settlement Service (NSS) and Fedwire operating hours in order to enable the addition of a third daily Automated Clearing House (ACH) processing window. The changes proposed are necessary for the implementation of a third ACH settlement window. Adding a third ACH window will improve the efficiency and speed of the US payment system. Unfortunately, due to the complex and interdependent nature of multiple systems needed to process and clear ACH transactions these changes cannot be made in a vacuum, which is why the proposed adjustments to infrastructure will be necessary to facilitate such necessary improvements. The introduction of Same Day ACH processing has proven to be a valuable incremental enhancement to the payment system.

An addition of a third window with a 4:45pm ET submission deadline will be particularly valuable for west coast credit unions, and allow east coast institutions to offer expanded Same Day benefits to customers as well. Ideally the third window would be set even later, to provide full day benefit to western institutions. However, we appreciate the associated tradeoff with the need for multi-national east coast financial institutions to close their books and prepare for the open of the next banking day in Asian markets. We believe the proposed timing strikes an appropriate balance between these interests.

As always, we appreciate the opportunity to review this issue. We will be happy to respond to any questions regarding these comments.

Sincerely,



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